



Environmental Services Division
Energy and Waste Management Bureau

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Iowa Gasoline Prices Catching Up to Rest of Country

DES MOINES – Gasoline prices are up in February as cold weather continues to dominate the landscape in the Midwest. On average, Iowans were paying \$0.18 more per gallon of gasoline in the month while the national average has remained the same. The price increase comes as much of the state was experiencing prices well below the national average of \$2.23 per gallon in January. The January sub \$2.00 per gallon price of gasoline Iowans experienced last month was the lowest gasoline price in Iowa since November of 2005.

The Eastern Iowa corridor experienced the largest price increases this month with Davenport, Dubuque, and Waterloo all encountering close to a \$0.30 increase per gallon. Council Bluffs and Des Moines residents experienced a \$0.20 plus increase. Iowa still remains \$0.05 below the current national average for gas prices at \$2.23.

“The low prices that we were paying last month were not representative of what people across the country were paying,” said Brian Crowe, energy analyst with the Iowa DNR. “There was a larger supply in Iowa, which drove the prices down in January. Consumers felt the benefits, so now we are catching up to the rest of the country in price.”

On February 14, natural gas was trading at \$7.78/MMBtu, \$1.21 higher than last month due to recent cold temperatures and strong gains in the futures market. Natural gas is still \$1.00 cheaper than at this time last year. That is an 11.4 percent decrease from where natural gas was a year ago when it traded for \$8.78/MMBtu.

Crude oil stocks were at their highest point in January since 1999. The 8 year high comes after a dip in stock in December 2006. U.S. crude oil stocks totaled 323.9 million barrels on February 12, which is 9.2 million barrels more than last month’s stock total of 314.7 million barrels.

A February 12 survey completed by the Iowa Department of Natural Resources indicated that the price of propane increased \$0.01 from January prices to \$1.48 per gallon. Propane is selling at the same price as it did this time last year. Governor Chet Culver issued a proclamation this week extending delivery hours to propane drivers, as demand for propane has increased. The purpose of the proclamation was to make sure that Iowans would not have to wait to fill their propane tanks with increased demand. Even as the demand has increased in recent weeks due to cold weather, the price has remained stable.

The DNR survey also stated that the average retail price of heating oil in Iowa was \$2.16 per gallon, \$0.06 higher than last month and \$0.05 higher than the price of heating oil at this time last year.

Internationally, China imported a record amount of oil as the country tries to increase its national reserve. Middle class Chinese continue to buy more cars, increasing the countries demand for foreign oil. China is the second largest consumer of oil at 6.3 million barrels per day, only behind the United States, which consumes slightly more than 20 million barrels per day. China’s increased demand for oil will affect future oil prices in the United States.

Cambridge University in England reported this month that oil cost of producing oil has increased by 53 percent in

the past two years. Oil company executives say that increased exploration, production, and labor shortages have added to the increase. This could mean more bad news for consumers in the future when purchasing gasoline.

10% Ethanol Average Retail Price per Gallon -- Major Iowa Cities

Self-Serve Ethanol	2/09/07	1/18/07	Difference
Ames	2.17	1.98	+0.19
Cedar Rapids	2.21	2.03	+0.18
Council Bluffs	2.17	1.89	+0.28
Davenport	2.22	1.96	+0.26
Des Moines	2.13	1.93	+0.20
Dubuque	2.29	2.00	+0.29
Fort Dodge	2.12	2.09	+.03
Iowa City	2.27	2.10	+0.17
Sioux City	2.13	2.09	+0.04
Waterloo	2.18	1.90	+0.28
Webster City	2.14	2.03	+0.11
Average Metro Price	2.18	2.00	+0.18

Source: Oil Price Information Service, www.opisnet.com

Motor Fuels Survey State Average Price per Gallon

Self-Serve	2/9/07	1/23/07	Difference
Regular Unleaded with 10% Ethanol	2.15	1.96	+0.19
Regular Unleaded	2.18	2.01	+0.17
Premium Unleaded	2.19	2.22	+0.03
Diesel	2.49	2.46	+0.03

Source: AAA Fuel Gauge Report, www.fuelgaugereport.com

Heating Fuels Survey

Heating Fuel Type	2/14/07	1/22/07	Difference
Natural Gas	7.78/MMBTU	6.57/MMBTU	+1.21
Propane	1.49	1.48	+0.01
#2 Heating Oil	2.16	2.10	+0.06

Sources: Wall Street Journal, Iowa Department of Natural Resources